

## **FISCAL NOTE**

### **HB 2969 - SB 3146**

February 18, 2008

**SUMMARY OF BILL:** Requires genetic testing to prove paternity before a court order establishing the father's support responsibilities can be entered.

#### **ESTIMATED FISCAL IMPACT:**

**Increase State Revenue – Not Significant**

**Increase State Expenditures - \$561,000**

**Increase Local Revenue – Not Significant**

**Increase Local Expenditures – Not Significant**

**Other Fiscal Impact – Increase Federal Expenditures - \$1,089,000**

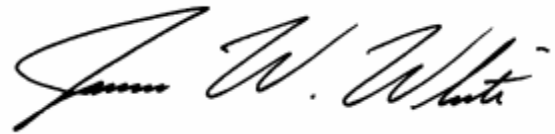
#### **Assumptions:**

- The Department of Human Services (DHS) estimates 20,000 annual voluntary acknowledgements of paternity. The provisions of this bill will require all of the voluntary acknowledgements be accompanied with genetic testing prior to child support orders.
- Of the 20,000 acknowledgements, DHS estimates that at least one-half or 10,000 will be indigent and the Department will be required to fund the testing.
- Each paternity test is estimated to cost \$165 which will result in an increase in expenditures of \$1,650,000 (\$165 x 10,000).
- The Child Support Enforcement program is funded through both state (34%) and federal (66%) funds. Of the \$1,650,000 in additional expenditures, \$561,000 will be state funds and \$1,089,000 will be federal funds.
- There will be a small increase in the time needed to settle child support cases in court system, which will result in additional state and local government expenditures for processing the cases and additional state and local government revenue from fees, taxes and costs. These expenditures and revenue are estimated to be not significant.
- DHS could be in jeopardy of losing \$42,944,000 in Title IV-D federal matching funds of the Child Support Enforcement program due to non-compliance with the voluntary paternity provisions of the state operating

plans. Also, this could result in the state being assessed penalties against the state's block grant for the Families First program of approximately \$4,260,000 in the first year (two percent of the \$213,000,000 block grant).

**CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" and last name "White" clearly legible, and "W." in the middle.

James W. White, Executive Director

/kml